

Industry Matters

Weekly Updates

March 31, 2023



Economy, Industry and Policy

India expected to be one of the major beacons of economic growth - KPMG: Amid global slowdown, India is likely to be one of major beacons of economic growth this year, consultancy major KPMG has said in its Global Economic Outlook report. *[The Economic Times]*

Faster reforms can give a boost to India growth story - World Bank: India's potential economic growth could get a boost if government accelerates implementation of its ambitious reform agenda, World Bank said in a report that also outlined policy prescriptions for banking and infrastructure sectors. *[The Economic Times]*

Govt launches 7th round of coal mine auctions; offers 106 mines for commercial sale: Defence Minister Rajnath Singh on Wednesday launched the seventh round of auctions for commercial mining of coal blocks, putting 106 mines under the hammer. Of the total mines offered under the seventh round, 61 blocks are partially explored and 45 mines are fully explored. *[Financial Express]*

Rs 158 cr direct tax collected in current fiscal via TDS on crypto assets: Direct tax collected by way of tax deducted at source (TDS) on payments made upon transfer of virtual digital assets (VDA) aggregated to Rs 157.9 crore upto March 20, 2023, the Parliament was told on Tuesday. *[Business Standard]*

PLI for electronics to achieve Rs 8.12-trn production target in 5 yrs - Govt: The cumulative investments under the scheme have increased to Rs 5,124 crore as of December 2022, from the earlier FY23 target of Rs 3,726 crore. The scheme is expected to bring a total cumulative investment of Rs 7,000 crore in a five-year period. *[Business Standard]*

Private consumption continues to be supported by pent-up demand - Finance Ministry: Private consumption in India is witnessing continued momentum and its estimated to grow at 7.3 per cent in 2022-23, reflecting the rebound demand witnessed in the current year on account of the release of pent-up demand for contact-intensive services. *[The Economic Times]*

India, China to contribute half of global growth in 2023: Asian economies are accelerating the pace of overall economic recovery in 2023 this year, says Boao Forum for Asia in a report. Asia's weighted real Gross Domestic Product (GDP) growth rate in 2023 is estimated to be 4.5 per cent, an increase from 4.2 per cent in 2022. *[The Economic Times]*

Government to borrow Rs 8.8 lakh crore in H1FY24: The planned borrowing in H1 constitutes 57.55% of the total Rs 15.43 lakh crore planned for the current financial year. The government plans to borrow Rs 31,000 to Rs 39,000 in weekly tranches between the April-September period. *[The Economic Times]*

Rs 4,962 cr lying in inoperative accounts under EPF - Govt tells Lok Sabha: The total amount under inoperative accounts under the Employees' Provident Fund (EPF) Scheme, 1952 is Rs 4,962.7 crore, Minister of State, Labour, Rameshwar Teli, has told the Lok Sabha. *[Business Standard]*

Centre's debt burden hits Rs 146 lakh crore in Q3: The central government's total debt rose 2.6% in the December quarter of the current fiscal year from the previous quarter to Rs 146.36 lakh crore, according to the finance ministry data released on Tuesday. *[The Economic Times]*

Government to announce first PLI for drones soon: The government will announce the first set of production-linked incentives (PLI) for drones soon, civil aviation secretary Rajiv Bansal said on Monday at the CII International Conference and Exhibition on Advanced and Short Haul Air Mobility for All in Bengaluru. *[The Economic Times]*



Foreign Investment

Japan commits Rs 7,084 crore for three infrastructure projects in India: Japan on Tuesday committed Rs 7,084.5 crore to India for three infrastructure projects, including Patna Metro Rail Construction Project and Rajasthan Water Sector Livelihood Improvement Project. *[Business Standard]*

877 foreign companies ceased their 'place of business' in India between 2014 & November 2021 - MCA: "Information about 'ceasing of operations' is not maintained by this Ministry. Foreign companies are required to register their 'place of business' in India as also ceasing of their 'place of business' in India with Registrar of Companies (RoC), Delhi under the provision of Section 380 of the Companies Act, 2013. *[The Economic Times]*

LG to invest Rs 300 crore to manufacture air-conditioner components in India: LG Electronics India has invested about Rs 300 crore on components for air-conditioners, including Rs 100 crore for manufacturing of compressors, as part of the production linked incentive (PLI) programme of the government. This makes LG the first brand to manufacture its own compressors in India. *[The Economic Times]*

Indian govt has 54 Chinese investment proposals pending - FM Nirmala Sitharaman: 54 FDI proposals received during the past year and current year with investor/ beneficial owner from China/Hong Kong are pending for decision with government as on March 21, 2023. *[The Economic Times]*

BMW plans to launch 19 car models in India this year; eyes double-digit growth: German luxury auto maker BMW plans to introduce 19 car models, including electric vehicles, in India this year as it looks to sustain double-digit sales growth in the country. *[The Economic Times]*

Jindal Stainless to invest Rs 1,290 crore in nickel pig iron JV in Indonesia: Jindal Stainless on Tuesday signed a joint venture agreement with an Eternal Tsingshan unit to develop a greenfield 200,000 metric tonne nickel pig iron plant in Indonesia. *[The Economic Times]*



Trade Policy and Competitiveness

India's forex jumps \$12.8 billion to six-week high of \$572.801 billion: India's foreign exchange stockpile has jumped \$12.8 billion in the week ending March 17, its biggest jump in four-and-a-half months due to revaluation of gold and reserves held in currencies other than dollar. *[The Economic Times]*

India to be coal exporter by 2025-26 - Coal minister Pralhad Joshi: The country will become a net coal exporter by 2025-26, Union Minister of Coal, Mines and Parliamentary Affairs, Pralhad Joshi said, adding that the coal sector is set to break all records. He said the cumulative coal production in the country, including state-owned ones and private mines, has touched 880 million tonne (Mt) this financial year. *[Business Standard]*

India's merchandise imports to cross \$700 bn in FY23 on higher crude - GTRI: India's merchandise imports are estimated to grow by about 16 per cent to USD 710 billion in this fiscal due to a jump in inbound shipments of crude oil, coal, diamonds, chemicals and electronics, a report by economic think tank. *[Business Standard]*

Goods and services exports to cross \$760 bn in FY23 - Piyush Goyal: During April-February, merchandise exports grew 7.5 per cent, to \$405.94 billion, while services exports grew at a more robust 30.4 per cent to reach \$296.94 billion, according to Department of Commerce's estimates. *[Business Standard]*

No new incentive plan for services exports under foreign trade policy: There may not be an incentive scheme for services exports under foreign trade policy (FTP) to be unveiled later this week. The government holds the view that all services sectors are 'self-sufficient' and can make healthy foreign exchange (forex) earnings without the need for incentives. *[Business Standard]*

Govt exempts import duty on drugs, food needed for special medical purposes: The government on Thursday exempted basic customs duty on all drugs and food for special medical purposes imported for personal use for treatment of rare diseases. *[The Economic Times]*

BIMSTEC nears completion of Free Trade Agreement, says secretary general: Free Trade Agreement (FTA) among the BIMSTEC countries is at the final stage of formulation with trade being the core agenda when BIMSTEC was established, Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC). *[The Economic Times]*

UK-India trade has potential to double by 2030, says British Deputy High Commissioner: Notwithstanding the impact of Russia's war with Ukraine, the UK and India are heading towards an era of positive engagement in trade and business relations, with steps underway to promote mutual investments in both the nations. *[The Economic Times]*

India to push for rupee trade in G-20 meetings: Commerce Secretary Sunil Barthwal said rupee trade will be of help, especially with those countries whose currencies are under pressure. *[The Economic Times]*

iPhones, Samsung drove India-made smartphone exports to record levels in 2022 - Counterpoint: Export of locally made smartphones rose to record levels in 2022, contributing 20% in shipment terms, and 30% in value terms, though overall shipments of Made-in-India smartphones fell 3% on-year due to low demand, as per an industry report. *[The Economic Times]*

Export benefits under RoDTEP extended to 18 textile items including sari: The government has extended export benefits under RoDTEP scheme to 18 items related to textiles sector, including saari and lungi, with a view to boost shipments of these goods. *[Business Standard]*

Services exports may rise to \$400 bn in FY24 - SEPC chairman: India's services exports will likely continue to be buoyant and rise to \$375-400 billion in the next financial year, thanks to strong demand from developed countries despite the headwinds to merchandise exports from global uncertainties. *[Financial Express]*

Maruti Suzuki India crosses 2.5 mn units milestone of cumulative exports: The company, which started exports with shipments to neighbouring markets like Bangladesh and Nepal in 1986-87, said it currently exports to nearly 100 countries, including markets in Africa, Latin America, Asia, and the Middle East. *[Business Standard]*



Corporate Governance

Indian corporates likely to see 10%-12% capex growth in FY24 - Fitch: The ratings agency said government reforms such as the goods and services (GST) tax act, bankruptcy code and more recent measures such as a lower corporate tax rate, the PLI (production linked incentive) schemes and rising state spending on infrastructure may further boost investments. *[Business Standard]*

Reliance Industries completes Sintex Textiles acquisition: Mukesh Ambani-promoted Reliance Industries, India's biggest company by market value, has completed its Rs 3,567-crore acquisition of textile company Sintex Industries exactly a year after banks had approved the acquisition and a month after the National Company Law Tribunal (NCLT) approved the transaction. *[The Economic Times]*

Crompton proposes strategic merger with Butterfly Gandhimathi Appliances: Crompton Greaves Consumer Electricals has proposed a scheme of amalgamation of Butterfly Gandhimathi Appliances with the company. Both are listed companies and the merger will take place through shares swap. *[Mint]*

JSW Energy completes acquisition of Mytrah Energy's RE portfolio: JSW Energy had signed an agreement in August last year to acquire Mytrah Energy's 1,753 MW renewable energy portfolio for an enterprise value of about Rs 10,530 crore, which was its largest-ever acquisition. *[Financial Express]*



MSMEs and Start-ups

MSME Credit Demand At High While Delinquencies Decline: According to the study, the measures on the formalisation of MSMEs and the adoption of digital platforms by lenders have enabled in accessing of granular data on enterprises. Thus, improving lending confidence, especially among the micro1 segment of MSMEs. *[Businessworld.in]*

Indian tech SME sector projected to reach \$40bn by FY30 - Nasscom-ProHance: The report showcases the growing expectations from the tech SME segments and highlights how the sector is leveraging digitalization and offering new-age digital solutions to their customers. *[The Economic Times]*



Employment and Industrial Relations

Flagship MGNREGS still gives work to more people than pre-Covid years: Just as the fiscal year draws to a close, about 61.1 million households have worked under the flagship Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) this year. *[Business Standard]*

Labour Minister launches e-passbook facility for EPFO subscribers: Union Labour and Employment Minister Bhupender Yadav on Tuesday launched an e-passbook facility for the EPFO subscribers. Now, members will be able to view more details of their accounts in graphical representations, the Employees' Provident Fund Organisation (EPFO). *[Business Standard]*

EPFO marginally raises interest rate on PF deposits to 8.15% for FY23: The Central Board of Trustees (CBT) of the Employees' Provident Fund Organisation (EPFO) on Tuesday decided to raise the interest rate on the provident fund deposits marginally to 8.15 per cent for FY23 from a four-decade low of 8.1 per cent in the previous financial year. *[Business Standard]*

GitHub fires its entire India engineering team, over 140 employees hit: Open source developer platform GitHub has laid off its entire engineering team in India, its second largest developer community after the US, which affected more than 140 employees as part of the "reorganisation plan". *[Business Standard]*

OPS vs NPS vs hybrid structure, explained in three charts: The decision comes on the back of demands to revert to the Old Pension Scheme, which provided defined benefits sans employee contribution. The committee may also consider the Andhra Pradesh model of a hybrid scheme (Guaranteed Pension Scheme) involving contributions and defined payouts. *[The Economic Times]*

Centre notifies revised MGNREGA wage rates: The Centre has notified a hike in wage rates under the rural job guarantee programme for the 2023-24 financial year with Haryana having the highest daily wage at Rs 357 per day and Madhya Pradesh and Chhattisgarh the lowest at Rs 221. *[The Economic Times]*

PFRDA raises ombudsman age limit to 70 years from 65 years: The Centre on Tuesday announced that it has increased the upper age limit by 5 years of ombudsman of the Pension Fund Regulatory and Development Authority (PFRDA) to 70 years. *[Mint]*

Hiring outlook for blue collar workers in Q1 up 10% YoY - TeamLease survey: Amidst layoffs in startups and global turmoil, hiring intentions in services and manufacturing sectors for non-white collar roles for the first quarter (April-June) of 2023-24 are 10% more than the year-ago period. *[Financial Express]*



Industrial Finance

Kotak Mahindra Bank arm raises USD 1.25 bn for 2nd special situations fund: A Kotak Mahindra Bank arm on Tuesday announced that it has raised USD 1.25 billion for its second special situations fund. The money raised will be deployed in equity, debt capital and hybrid instruments across sectors. *[The Economic Times]*

PSU banks recover 14 pc of written-off loans in last 5 years - Nirmala Sitharaman: Public sector banks could recover only 14 per cent of the written-off loans worth Rs 7.34 lakh crore in the last five years ending March 2022, Parliament was informed on Tuesday. *[The Economic Times]*

ZEEL, IndusInd Bank settle dispute paving way for Sony-Zee merger: Zee Entertainment on Wednesday informed the National Company Law Appellate Tribunal (NCLAT) that it has settled the dispute over dues with the private lender IndusInd Bank. *[Business Standard]*



Technology and Innovation

India should be able to create proven semiconductor chips by 2028 - IESA's Sanjay Gupta: India has a thriving electronic sector, with electronics production currently contributing 3.3% to the economy. The sector will grow to \$320 billion by 2025 from \$75 billion now, forecasts the India Electronics and Semiconductor Association (IESA). *[The Economic Times]*

UPI merchant transactions over Rs 2,000 to carry charge of 1.1% from Apr 1: The National Payments Corporation of India (NPCI) has advised Prepaid Payment Instruments (PPI) fees be applied to merchant transactions on Unified Payments Interface (UPI) beginning on April 1 in a recent circular. *[Business Standard]*

ONDC onboards 22,000 restaurants after integrating Magicpin: Magicpin, a retail discovery and discount platform, has now integrated with the government's e-commerce initiative, Open Network for Digital Commerce (ONDC). With the latest move, there will be over 22,000 restaurants from across the country. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

Karnataka clears 55 industrial projects worth Rs 3,451.24 cr investment: Karnataka Industries and Commerce Department on Tuesday said it has cleared a total of 55 investment proposals worth Rs 3,451.24 crore, promising 33,049 employment opportunities. *[Business Standard]*

Capital expenditure of states shows improvement as year comes to a close: The ten biggest Indian states, in terms of economic size, have improved their capital expenditure outlay for FY23 so far, an analysis of data from April 2022 to January 2023 shows. *[Business Standard]*

On target - Auction of 6-7 multi-modal logistics parks: India is planning to bid out 6-7 multi-modal logistics parks or MMLPs in the next financial year (2023-24), eyeing a significant upgrade of its logistics infrastructure. *[The Economic Times]*



Sustainable Industrialisation

RIL, 10 other firms bag 39,600 MW solar capacity order under PLI scheme: The government has allocated a total capacity of 39,600 MW of domestic Solar PV module manufacturing capacity to 11 companies, with a total outlay of Rs 14,007 crore under the Production Linked Incentive Scheme for High-Efficiency Solar PV Modules (Tranche-II). *[Business Standard]*

SJVN secures Rs 915 cr green finance from Japan Bank for International Cooperation: SJVN, a state-owned power sector CPSE, on Tuesday said it has secured Rs 915 crore green finance from Japan Bank for International Cooperation (JBIC) to fund its 90 MW Omkareshwar floating solar and 100 MW Raghnesda solar projects. *[The Economic Times]*

India needs \$540 billion investment by 2029 to meet renewable targets - S&P Global Ratings: India needs USD 540 billion of investment between 2020 and 2029 to meet its ambitious targets for electricity generation from renewable sources, S&P Global Ratings said on Thursday as it saw private-sector-led energy transition entering a new phase. *[Financial Express]*

OMCs get Rs 800 crore to set up over 7,000 fast-charging stations: In a push for green mobility, the Centre on Monday sanctioned Rs 800 crore under Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME II) to three public sector oil-marketing companies (OMCs) for setting up 7,432 public fast-charging stations across the country. *[Business Standard]*



Sectoral News

Unified tariff structure for over a dozen gas pipelines to start from Apr 1: PNGRB has notified a levelised unified tariff of Rs 73.93 per metric million British thermal unit, based on the principle of 'one nation, one grid and one tariff'. The new tariff is expected to benefit customers transporting fuel over longer distances and multiple pipelines. *[Business Standard]*

Telcos recorded Rs 4.17 trillion debt in 2021-22, says MoS Telecom: Six telecom companies -- including Airtel, Reliance Jio and Vodafone Idea -- had a total debt of Rs 4.17 lakh crore in fiscal 2021-22, Parliament was informed on Wednesday. *[Business Standard]*

Healthy growth in the Indian commercial vehicle market to continue - Apollo Tyres chief: The commercial vehicle segment will continue to show healthy growth despite inflationary pressures, because of strong government spending on infrastructure, said Onkar Kanwar, chairman at Gurugram-based Apollo Tyres. [*The Economic Times*]

Hyundai plans to discontinue sales of diesel sedans in India: Hyundai Motor India (HMIL) will cease to offer diesel engine options in sedans amid increased consumer preference for petrol fuel options and a steep spike in costs of diesel vehicles due to impending implementation of the second phase of Bharat Stage VI emission norms. [*The Economic Times*]

Licences of 18 pharma companies cancelled for manufacturing spurious drugs: Licences of 18 pharma companies have been cancelled for manufacturing spurious and adulterated drugs and for violating GMP (good manufacturing practice).... Besides, 26 firms have been given show-cause notices. [*The Economic Times*]

Indian Oil, BPCL exceed their capex targets this year: During April-February, India Oil spent Rs 31,800 crore against the full year's capex target of Rs 28,550 crore while BPCL spent Rs 10,280 crore, crossing its target of Rs 10,000 crore, according to the oil ministry data. [*The Economic Times*]

Private hospitals to clock 10-11 pc revenue growth in FY23, FY24: In FY22, private hospitals had reported an all-time high operating profitability of 19 per cent due to a surge in treatment during the second wave of the Covid-19 pandemic, which also pushed up occupancy levels, and, later, pent-up demand for elective surgeries. [*The Economic Times*]

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